



Tobacco Company

5/31/96
C/P/D TO
KAM'S
ZBM
M. Young
5/31/96
D. P. FITZGERALD
Area Manager - Operations
North East Sales Area
910-741-2053

May 29, 1996

SENT VIA FAX

Roger Farmer
Rich Kane
Jay Loftin
Larry Poole
Peter Schmidt
Mark Young

SUBJECT: 1995 CO-MARKETING STATUS IN CHAINS

Attached you will find a self-explanatory letter from Craig Hill regarding overspending of 1995 Co-Marketing funds in chains. While Craig's issue is how we prevent overspending against these funds in the future, it is equally important to ensure that we fully utilize all available funds to maximize our P.V. levels. According to Craig's report, we overspent these funds in identified chains by \$470,012, but we had an unused balance of \$1,803,217. I realize some of these remaining funds were a result of chains becoming P.M. Exclusive, but this does not explain a significant portion of our balance. It is extremely important that our KAM's/AM's better monitor these funds, as well as, plan ahead for programs designed to utilize these funds with their assigned chains.

Please let me know if there are any changes we need to make to our 1996 Accrual Program, i.e., make coupons available for chains that cannot accommodate VPR's/buydowns, to ensure these funds are fully utilized.

Call if you have any questions.

Don

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